

## FY 2001 Operating Budget Impact

A major consideration when evaluating the Capital Program is the extent to which the CIP impacts the annual Operating Budget.

The District's FY 2001 to FY 2006 CIP and FY 2001 Capital Budget is constrained by the amount of additional debt service the FY 2001 Operating Budget can absorb without negatively impacting the District's ability to adequately fund operating expenditures. As such, the CIP is evaluated not only on infrastructure funding requirements, but also on affordability.

There are six sources of funding presented in the FY 2001 to FY 2006 CIP and FY 2001 Capital Budget. However, only long-term (20 - 30 yr), intermediate-term (10 - 15 yr) financing the master equipment lease funding have a *substantial* impact on the annual Operating Budget.

The table on the following page shows the overall debt service for the FY 2001 Operating Budget.

**FY 2001 to FY 2006 Capital Improvements Plan and FY 2001 Capital Budget**

<b>Budget Category</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Financing and Other Uses</b>							
Existing DS0 Bonds Debt Service	\$315,209,107	\$287,855,264	\$269,791,403	\$275,115,357	\$307,568,836	\$313,279,768	\$307,191,438
Prospective G.O. Bonds Debt Service*							
FY 2000 CIP Bonds	2,797,202	16,783,210	16,783,210	16,883,210	16,883,210	16,883,210	16,883,210
FY 2001 CIP Bonds	0	8,641,325	34,565,301	34,565,301	34,665,301	34,665,301	34,665,301
FY 2002 CIP Bonds	0	0	13,955,685	27,911,370	27,911,370	28,011,370	28,011,370
FY 2003 CIP Bonds	0	0	0	9,045,605	18,091,211	18,091,211	18,091,211
FY 2004 CIP Bonds	0	0	0	0	7,657,482	15,314,963	15,314,963
FY 2005 CIP Bonds	0	0	0	0		8,280,596	16,561,192
FY 2006 CIP Bonds	0	0	0	0			8,231,071
<b>Total CIP Debt Service</b>	<b>\$318,006,309</b>	<b>\$313,279,799</b>	<b>\$335,095,599</b>	<b>\$363,520,843</b>	<b>\$412,777,410</b>	<b>\$434,526,419</b>	<b>\$444,949,756</b>
Debt Service Relief from \$35 million Debt Reduction	(659,900)	(8,635,400)	(19,995,775)	(9,999,150)	0	0	0
Debt Service Relief from Securitization of Tobacco Receipts	(4,787,556)	(61,406,016)	(33,223,503)	(50,641,987)	(55,321,043)	(61,929,153)	(56,710,258)
<b>Total DS0 Debt Service</b>	<b>\$312,558,853</b>	<b>\$243,238,383</b>	<b>\$281,876,321</b>	<b>\$302,879,706</b>	<b>\$357,456,367</b>	<b>\$372,597,266</b>	<b>\$388,339,498</b>
1991 G.O. Recovery Bonds(ZD0)	38,286,000	39,300,000	39,300,000	39,300,000	0	0	0
<b>Total ZD0 Debt Service</b>	<b>\$38,286,000</b>	<b>\$39,300,000</b>	<b>\$39,300,000</b>	<b>\$39,300,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Payment of COP's</b>							
Certificates of Participation	7,950,000	7,950,000	7,950,000	7,950,000	7,950,000	7,950,000	7,950,000
<b>Total COP's Debt Service</b>	<b>\$7,950,000</b>	<b>\$7,950,000</b>	<b>\$7,950,000</b>	<b>\$7,950,000</b>	<b>\$7,950,000</b>	<b>\$7,950,000</b>	<b>\$7,950,000</b>
<b>Total Long-term Debt Service</b>	<b>\$358,794,853</b>	<b>\$290,488,383</b>	<b>\$329,126,321</b>	<b>\$350,129,706</b>	<b>\$365,406,367</b>	<b>\$380,547,266</b>	<b>\$396,189,498</b>
Existing Master Lease Debt Service		\$3,656,964	\$3,656,964	\$3,636,413	\$3,134,202	\$454,680	\$112,087
<b>Prospective Master Lease Debt Service</b>							
FY 2000 Draws		\$4,831,707	\$8,523,676	\$8,523,676	\$8,523,676	\$8,523,676	\$4,141,969
FY 2001 Draws		\$2,551,924	\$5,553,678	\$5,553,678	\$5,553,678	\$5,553,678	\$4,704,136
FY 2002 Draws		\$0	\$1,010,964	\$2,134,591	\$2,134,591	\$2,134,591	\$2,134,591
FY 2003 Draws		\$0	\$0	\$349,345	\$898,557	\$898,557	\$898,557
FY 2004 Draws		\$0	\$0	\$0	\$97,929	\$563,336	\$563,336
FY 2005 Draws		\$0	\$0	\$0	\$0	\$97,929	\$130,572
FY 2006 Draws		\$0	\$0	\$0	\$0	\$0	\$131,861
<b>Total Master Lease Debt Service</b>		<b>\$11,040,595</b>	<b>\$18,745,282</b>	<b>\$20,197,703</b>	<b>\$20,342,633</b>	<b>\$18,226,447</b>	<b>\$12,817,109</b>
<b>Grand Total Debt Service</b>	<b>\$358,794,853</b>	<b>\$301,528,978</b>	<b>\$347,871,603</b>	<b>\$370,327,409</b>	<b>\$385,749,000</b>	<b>\$398,773,713</b>	<b>\$409,006,607</b>

\* Assumptions for prospective debt service are based on the FY 2001 Capital Improvements Plan and Financial Plan with interest rates assumed to average 5.5% on variable-rate bonds issued to finance FY 2000 capital projects and 7.0% on long-term bonds issued to finance FY 2001 – FY 2006 capital projects. It is assumed that debt will be issued in August 2000 and July 2001 to finance approved capital projects for these respective fiscal years. Excludes debt service on District G.O. bonds issued for water and sewer purposes, which have been allocated to WASA. WASA is statutorily obligated to pay the debt service on these bonds.